



FPL Energy Duane Arnold, LLC
3277 DAEC Road
Palo, Iowa 52324

FPL Energy.

Duane Arnold Energy Center

March 29, 2007

NG-07-0301
10 CFR 50.75(f)(1)

U.S. Nuclear Regulatory Commission
ATTN: Document Control Desk
Washington, D.C. 20555-0001

Duane Arnold Energy Center
Docket 50-331
License No. DPR-49

Subject: Decommissioning Funding Status Report for the Duane Arnold Energy Center

In accordance with the provisions of 10 CFR 50.75(f)(1), please find enclosed the decommissioning funding status report for the Duane Arnold Energy Center (DAEC). FPL Energy Duane Arnold, LLC submits this report on behalf of all the DAEC owners. The financial information presented herein, is current as of December 31, 2006.

This letter contains no new commitments and no revisions to existing commitments.

If you have any questions concerning this matter, please contact Steven Catron, Manager, Nuclear Licensing at (319) 851-7234.

Sincerely,

A handwritten signature in black ink that reads "Gary Van Middlesworth".

Gary Van Middlesworth
Site Vice President, Duane Arnold Energy Center

Enclosure

cc: Administrator, Region III, USNRC
Project Manager, DAEC, USNRC
Resident Inspector, DAEC, USNRC

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**FPL Energy Duane Arnold, LLC,
 Central Iowa Power Cooperative (CIPCO),
 Corn Belt Power Cooperative (Corn Belt)
 Decommissioning Funding Status Report**

1. The minimum decommissioning fund estimate pursuant to 10 CFR 50.75(b) and (c).

Plant Owner (% Ownership)	NRC Minimum
FPL Energy Duane Arnold, LLC (70%)	\$329,633,641
CIPCO (20%)	\$94,181,040
Corn Belt (10%)	\$47,090,520
Total	\$470,905,201

2. The amount accumulated at the end of the calendar year preceding the date of the report.

Plant Owner (% Ownership)	Internal	External	Total
FPL Energy Duane Arnold, LLC (70%)	\$0	\$205,876,043	\$205,876,043
CIPCO (b) (20%)	\$27,422,178	\$39,679,950	\$67,102,128
Corn Belt (a) (10%)	\$9,562,460	\$18,638,825	\$28,201,285
Total	\$36,984,638	\$264,194,818	\$301,179,456

- (a) Corn Belt is not relying on Internal Fund Reserve for purposes of meeting NRC decommissioning funding assurance requirements.
 (b) These funds have been invested for purposes of funding decommissioning.

3. Schedule of the annual amounts remaining to be collected. (Beginning 2007 & Ending 2014)

Plant Owner (% Ownership)	Annual Annuity (a)	Projected Funds Ending 2014
FPL Energy Duane Arnold, LLC (70%) (b)	\$0	\$312,275,149
CIPCO (20%)	\$1.0 mil to \$3.2 mil	\$124,504,000
Corn Belt (10%)	\$500k to \$700k	\$68,084,105
Total	\$1.5 to \$3.9 mil	\$504,863,254

- (a) Actual annual contributions to the external sinking fund will vary based upon reassessment of owner's decommissioning funding obligations in light of NRC requirements, actual inflation, actual fund earnings, and other factors.
 (b) Projected funds include a \$75 million parent guaranty from FPL Group Capital Inc.

4. Assumptions used regarding escalation in decommissioning costs, rate of earnings on decommissioning funds and rates of other factors used in funding projections.

Plant Owner (% Ownership)	Rate of Earnings (Nominal Rate Of Return)	Escalation Factor (Inflation)	Real Rate of Return (Projected)
FPL Energy Duane Arnold, LLC (a) (70%)	7.1%	4.06%	2%
CIPCO (b) (20%)	8%	4%	4%
Corn Belt (c) (10%)	10%	5%	5%

Basis for Allowance:

- (a) The real rate of return allowed by 10 CFR 50.75 is 2%.

(b) Central Iowa Power Cooperative (CIPCO) is a tax-exempt cooperative under IRS section 501c(12). This exempt status allows for a higher rate of earnings that results in higher projected real rates of return. CIPCO's rates are not regulated by any state or federal agency. CIPCO's rates are determined annually based on a budget approved by the Board of Directors. If the cooperative does not obtain the projected earnings rates on the decommissioning fund, it has the ability to increase future funding to meet the decommissioning obligation.

(c) Corn Belt Power Cooperative is a tax-exempt cooperative under IRS section 501c(12). This exempt status allows for higher rate of earnings that results in higher projected real rates of return. Corn Belt's rates are not regulated by any state or federal agency. Corn Belt's rates are determined annually based on a budget approved by the Board of Directors. If the cooperative does not obtain the projected earnings rates on the decommissioning fund, it has the ability to increase future funding to meet the decommissioning obligation.

5. Any contracts upon which the licensee is relying pursuant to 10 CFR 50.75(e)(1)(v).

None

FPL Energy Duane Arnold, LLC, CIPCO and Corn Belt are not relying upon any long term contract for purposes of providing decommissioning funding within the meaning of 10 CFR 50.75(e)(1)(v).

6. Any modifications to a licensee's method of providing financial assurance occurring since the last submitted report.

See below

FPL Energy Duane Arnold, LLC, CIPCO & Corn Belt continue to use the external sinking fund method of providing decommissioning funding assurance. FPL Group Capital Inc. is providing a parent guaranty in the amount of \$75 million as an additional method of financial assurance for FPL Energy Duane Arnold, LLC.

7. Any material changes to trust agreements.

None